

Your Group Term Life Insurance Benefits



*Developed for the Employees of
State of Tennessee, County of Shelby,
Shelby County Government*

Who Needs Life Insurance?

You do. Single or married. Buying your first home or preparing for retirement. Raising children or sending them off to college. No matter where you are in life, insurance should be part of your financial plan.

By purchasing this insurance product through your employer, you benefit from:

- Affordable group rates
- Convenient payroll deduction
- Access to knowledgeable service representatives.

Start with Basic Coverage and Add What You Need

Basic Life Insurance Coverage (outlined in your certificate) — Employer and Employee Paid

- Provided automatically to all eligible employees.
- Life insurance equal to 2 times eligible earnings.

Voluntary Life Insurance Coverage — Employee-Paid

- **For You** — Up to \$350,000.
- **For Your Spouse** — Up to \$25,000.
- **For Your Unmarried, Dependent Children** — Up to \$12,500.

Who Is Eligible For Coverage?

You — If you are an active employee and work at least 20 hours per week for your employer.

Your Spouse — Is eligible provided that you apply for and are approved for coverage for yourself.

Your Unmarried, Dependent Children — Under age 19 (or under age 25 if they are full-time students), as long as you apply for and are approved for coverage for yourself. One low premium will insure all your eligible children, regardless of the number of children you have.

How Much Coverage Can You Buy?

You — You can select life insurance coverage of \$10,000, \$25,000, \$50,000, \$100,000, \$150,000, \$200,000, \$250,000, \$300,000 or \$350,000. The maximum for any employee is \$350,000. The guaranteed coverage* amount for you is \$150,000.

Your Spouse and Unmarried, Dependent Children — You may choose one of the following options for your spouse and children.

<u>Option</u>	<u>Benefit Amounts for Spouse/Children</u>
1	Spouse-\$20,000/ Children-\$10,000
2	Spouse-\$15,000/ Children-\$7,500
3	Spouse-\$10,000/ Children-\$5,000
4	Spouse-\$5,000/ Children-\$5,000
5	Spouse-\$25,000/ Children-\$12,500

The guaranteed coverage* amount for your spouse is \$25,000.

The guaranteed coverage amount for your child(ren) is \$12,500.

* See *Guaranteed Coverage*.

Guaranteed Coverage

If you are a new hire and you apply within 31 days after you are eligible to elect coverage for you and your dependents, you are entitled to choose any of the offered amounts of coverage up to the guaranteed coverage amount, as shown on your application, without having to provide evidence of good health.

If you apply for an amount of coverage for yourself greater than the guaranteed coverage amount, coverage in excess of the guaranteed coverage amount will not be issued until the insurance company approves acceptable evidence of good health. Evidence of good health may include a paramedical exam or physician's statement.

If you apply for coverage for yourself or your spouse more than 31 days from the date you become eligible to elect coverage under this plan, the guaranteed coverage amounts will not apply. Coverage will not be issued until the insurance company approves acceptable evidence of good health. Evidence of good health may include a paramedical exam or physician's statement.

When You Reach Age 65

By the time you reach age 65, chances are that your children will be grown and your mortgage paid. At age 65, providing you are still employed, your basic and voluntary coverage will decrease to 65% of the benefit amount. It will decrease to 50% at age 70.

How Much Your Coverage Will Cost

The monthly cost of insurance for you will depend on your age and the amount of insurance you wish to purchase. As shown in the following chart, the cost of insurance increases with the age of the insured. Note that at age 65 and age 70, your benefits are reduced.

To calculate your monthly cost:

1. Determine the coverage amount you want and divide that amount by 1,000 to determine the number of coverage units;
2. Find your age group in the following table;
3. Multiply the rate by the number of coverage units you want;
4. Add the premiums for you, your spouse and your children to get your total monthly cost.

Example::			
Employee	25 units	x	\$.045 per
(age 28)	(\$250,000)	unit =	\$ 1.13
Option 1			
Spouse/	\$20,000/	\$18.00	
Children	\$10,000)	per month	\$18.00
Total Monthly Cost			\$19.13

To calculate your cost, complete this chart:

Employee	___ units	\$___ per	
	x	unit =	\$___
Spouse/	\$___/	\$___ per	
Children	\$___	month =	\$___
Total Monthly Cost			\$___

Employee Age	Employee Monthly Cost per \$1,000 Unit
Under 30	\$ 0.045
30 to 34	0.070
35 to 39	0.080
40 to 44	0.090
45 to 49	0.135
50 to 54	0.210
55 to 59	0.390
60 to 64	0.585
65 to 69	1.140
70 & Over	1.850

The monthly cost for Spouse/Children coverage:

Option 1 - Spouse-\$20,000 / Children-\$10,000 = \$18.00

Option 2 - Spouse-\$15,000 / Children-\$7,500 = \$13.50

Option 3 - Spouse-\$10,000 / Children-\$5,000 = \$9.00

Option 4 - Spouse-\$5,000 / Children-\$5,000 = \$4.50

Option 5 - Spouse-\$25,000 / Children-\$12,500 = \$25.00

One premium will insure all your eligible children, regardless of the number of children you have.

Costs are subject to change.

How Much Life Insurance Do You Need?

We have provided this worksheet to help you calculate how much life insurance you may need for a surviving spouse and dependents. When calculating annual amounts, be sure to multiply the annual income or cost by the number of years you expect to receive that income, or incur that cost.

1. Living Costs			
Day-to-day Living Expenses (Use 75% of current net income)			
\$ _____ annually x _____ years	=	\$ _____	
Child Care Expenses			
\$ _____ annually x _____ years	= +	_____	
Education Funding			
\$ _____ annually x _____ years	= +	_____	
Major Purchases (cars, home repair)			
\$ _____ annually x _____ years	= +	_____	
Estate and Funeral Expenses	= +	_____	
TOTAL LIVING COSTS (A)	=	\$ _____	
2. Available Resources			
Cash and Savings	=	\$ _____	
Retirement Savings (IRA, Pension, etc.)	= +	_____	
Stocks and Bonds (at current market value)	= +	_____	
Spouse Income (multiply by 60%)*			
\$ _____ annually x _____ years	= +	_____	
Other Assets	= +	_____	
TOTAL AVAILABLE RESOURCES (B)	=	\$ _____	
3. Life Insurance Need			
TOTAL LIVING COSTS (A)	=	\$ _____(A)	
LESS TOTAL AVAILABLE RESOURCES (B)	-	\$ _____(B)	
EQUALS LIFE INSURANCE NEED	=	\$ _____	

Naturally a worksheet like the above is only an aid to determining life insurance needs. It cannot predict all of your expenses, economic conditions, inflation, investment performance or other factors which may alter your needs. For a more accurate plan, you should consider consulting an investment advisor.

* Estimate likely spouse income as sole provider. Include your estimate of Social Security benefits to surviving spouse and dependents. The 60% factor above is used to account for taxation so that a net income figure can be derived. Vary this factor if you feel combined federal, state and local taxes, and FICA will be different for your situation.

Other Benefit Features

Accelerated Death Benefit — Terminal Illness

If you or your spouse is diagnosed by two unaffiliated physicians as terminally ill with a life expectancy of 12 months or less, the accelerated payment benefit for terminal illness provides for up to 50% of the life insurance coverage amount in force or \$500,000, whichever is less, to be paid to the insured. This benefit is payable only once in the insured's lifetime, and will reduce the life insurance death benefit.

The terminal illness benefit may be taxable. As with all tax matters, an insured should consult with a personal tax advisor to assess the impact of this benefit.

Annual Enrollment Period

Each year, during your enrollment period, you have the opportunity to enroll in the plan or increase your voluntary coverage. We do require evidence of good health for all new coverage selections.

Continuation for Disability

If your active service ends due to disability, this plan provides a continuation of coverage feature. If you are disabled, your coverage will continue while you are disabled. This benefit will remain in force until the earliest of the following dates: the date you are no longer disabled, the date the policy terminates, the date you are disabled for 6 months, or the day after the last period for which premiums are paid.

You are considered disabled if, because of injury or sickness, you are unable to perform all the material duties of your Regular Occupation, or you are receiving disability benefits under your employer's plan. "Regular Occupation" means your occupation, as routinely performed in the general labor market, at the time your disability begins.

What Is Not Covered

The voluntary portion of your plan will not pay benefits if loss of life is the result of suicide that occurs within the first two years of coverage.

When Your Coverage Begins and Ends

The date your coverage begins is called its “effective date.” Your employer will let you know the effective date of your coverage. If you are not actively at work on the effective date of coverage, your coverage will not begin until you return to work.

For coverage for your spouse and/or children to be effective, they must not be hospitalized or confined at home under the care of a doctor.

Your coverage cannot be terminated as long as you remain eligible, the premium is paid and the group policy remains in force.

For your spouse and children, coverage ends when your coverage ends, when their premiums are not paid or when they are no longer eligible.

If You Leave Your Employer

To help you keep your life insurance coverage during the years when your family needs financial protection, the plan allows you to continue your basic and voluntary coverage if you leave your employer. Premiums may change at this time. Just make arrangements to pay your premiums directly to the insurance company after you leave your current employer. Coverage may be continued for you and your spouse until age 70. Coverage may also be continued for your children. As long as the group policy remains in force, the option of continuing this coverage is available.

Converting Your Coverage to Permanent Life Insurance

If group life insurance coverage is reduced or ends for any reason except nonpayment of premiums, you can convert to an individual policy. No medical certification is needed. To convert coverage, you must apply for the conversion policy and pay the first premium payment within 31 days after your group coverage ends. Family members may convert their coverage as well. Converted policies are subject to certain benefits and limits as outlined in the conversion brochure which may be requested as needed. Premiums may change at this time.

Apply Today

In order to apply for coverage, you must complete an application form. Be sure to answer all questions accurately, and indicate how much coverage you wish to have.

Payroll Deduction

You pay your premiums through payroll deduction. The total depends on how much coverage you select, your age, your spouse's age and the amount of coverage you buy for your spouse and children.

Designating Your Beneficiary

Your term life benefit will automatically be paid to the first beneficiary listed below who is living at the time of your death if you do not designate a specific beneficiary:

- 1) Your Spouse 2) Your Child(ren) 3) Your Parents
- 4) Your Siblings 5) Your Estate

If you wish to designate different beneficiaries, or to indicate percentages, you may do so on your application. If the listed beneficiary is a trustee or a trust, you will need to indicate the trustee's name, the name of the trust and the date of the trust agreement. The trust document must be presented in order for the claim to be processed.

How Your Claims Are Paid

Your employer has all the forms your beneficiary will need and can provide assistance in completing them.

Questions?

If you want more information about this group insurance plan, call 1-800-732-1603 toll-free anytime from Monday through Friday, 8 a.m. to 6 p.m. Eastern time. You'll speak to a courteous, knowledgeable customer service representative who can answer your questions and explain features of this plan.

This information is a brief description of important features of the plan. It is not a contract. Terms and conditions of coverage are set forth in Group Policy No. FLX-980183, on Policy Form TL-004700, issued in Delaware to the Trustee of the Group Insurance Trust for Employers in the Public Administration Industry. The group policy is subject to the laws of the jurisdiction in which it is issued. The availability of this offer may change. Please keep this material as a reference.

*Coverage is underwritten by
Life Insurance Company of North America
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Philadelphia, PA 19192*



CIGNA Group Insurance

Life • Accident • Disability

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Class 1